

EMPLOYMENT RELATIONS COMMISSION

Budget Summary							
Fund	2002-03 Base Year Doubled	2003-05 Governor	2003-05 Jt. Finance	2003-05 Legislature	2003-05 Act 33	Act 33 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$4,958,200	\$4,325,400	\$4,266,000	\$4,266,000	\$4,266,000	- \$692,200	- 14.0%
PR	<u>456,400</u>	<u>503,800</u>	<u>979,400</u>	<u>979,400</u>	<u>979,400</u>	<u>523,000</u>	114.6
TOTAL	\$5,414,600	\$4,829,200	\$5,245,400	\$5,245,400	\$5,245,400	- \$169,200	- 3.1%

FTE Position Summary						
Fund	2002-03 Base	2004-05 Governor	2004-05 Jt. Finance	2004-05 Legislature	2004-05 Act 33	Act 33 Change Over 2002-03 Base
GPR	22.50	18.50	18.50	18.50	18.50	- 4.00
PR	<u>3.00</u>	<u>3.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>2.00</u>
TOTAL	25.50	21.50	23.50	23.50	23.50	- 2.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$167,200	- \$59,400	\$107,800
PR	<u>47,400</u>	<u>0</u>	<u>47,400</u>
Total	\$214,600	- \$59,400	\$155,200

Governor: Provide standard adjustments to the base budget totaling \$83,600 GPR and \$23,700 PR annually. Adjustments are for: (a) removal of non-continuing elements from the base (-\$42,900 GPR annually); (b) full funding of continuing salaries and fringe benefits (\$96,800 GPR and \$23,700 PR annually); and (c) fifth week of vacation as cash (\$29,700 GPR annually).

Joint Finance/Legislature: Delete funding for fifth vacation week as cash (-\$29,700 GPR annually).

2. BASE BUDGET REDUCTIONS [LFB Paper 325]

Funding Positions		
GPR	- \$800,000	- 4.00

Governor: Reduce the agency's GPR general program operations appropriation by \$400,000 and 4.0 positions annually. The base reductions would be applied exclusively to amounts budgeted for salaries. The adjustments would represent a 16.1% reduction to the agency's GPR adjusted base budget and a 17.8% reduction to its GPR base position authority.

Joint Finance/Legislature: Reallocate the \$400,000 annual reduction as follows: \$279,100 annually to salaries, \$90,900 annually to fringe benefits, \$24,000 annually to supplies and services, and \$6,000 annually to limited-term employee salaries.

3. TRANSFER OF STATE EMPLOYEE APPEAL FUNCTIONS FROM THE PERSONNEL COMMISSION [LFB Paper 585]

GPR-REV	\$6,000
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Governor/Legislature: Eliminate the Personnel Commission and transfer its state employee appeal functions to the Wisconsin Employment Relations Commission (WERC), as follows: (a) appeals of state employee classification and appointment decisions and examination scores; (b) final step arbitrations of state employee grievances relating to conditions of employment; (c) appeals of denial of state employee hazardous duty benefits; and (d) appeals of certain decisions under county merit system rules relating to the income maintenance program personnel. Provide \$3,000 GPR-REV annually associated with filing fees for certain state employee appeals.

Specify that on the effective date of the bill, the assets and liabilities, tangible personal property, and contracts of the Personnel Commission, as determined by the Secretary of DOA, related to each of the above areas of jurisdiction would be transferred to WERC. Specify that the pending matters, rules and orders of the Personnel Commission related to each of the above areas of jurisdiction would become the pending matters, rules and orders of WERC.

Under current law, WERC is charged with: (a) conducting representation elections and other referendums for private, municipal or state employees and employers; (b) clarifying bargaining units for private, municipal or state employees and employers; (c) enforcing proper bargaining conduct; (d) issuing declaratory rulings on such matters as whether an issue is a mandatory, permissive or prohibited subject of bargaining for private, municipal or state employees and employers; (e) resolving various labor disputes, primarily for private or municipal employees and employers; and (f) investigating bargaining impasses and appointing arbitrators, primarily for municipal employees and employers.

[Act 33 Sections: 442, 443, 2367, 2376, 2385, 2388, 2389, 2391, and 9139(1)]

**4. ADDITIONAL PROGRAM REVENUE-SUPPORTED
AGENCY STAFF [LFB Paper 326]**

	Funding	Positions
PR	\$475,600	2.00

Joint Finance/Legislature: Provide \$237,800 and 2.0 positions annually supported from Commission fee revenues. Combine the WERC's fees appropriation (revenues generated from charges for Commission provided mediation, arbitration, and investigation services), collective bargaining training appropriation (revenues generated from WERC training sessions), and publications appropriation (revenue generated from publications sales) into a single, annual program revenue appropriation. Increased program revenue would be generated through increased grievance arbitration, mediation, interest arbitration and fact-finding fees, which the Commission sets by administrative rule.

[Act 33 Sections: 443e, 443m, 443s, 1960m, 1986m, 1992v, and 9217(1q)]

5. AUTHORITY OF PUBLIC EMPLOYERS TO SELECT GROUP HEALTH INSURANCE PLANS

Joint Finance/Legislature: Make the following changes to the Municipal Employment Relations Act relating to the selection of group health insurance benefits provided by municipal employers:

Change of Employee Health Insurance Plan. Specify that, notwithstanding the terms of a collective bargaining agreement, in any collective bargaining unit a municipal employer may unilaterally change its employees' health care coverage plan to the public employer group health insurance plan offered by the Department of Employee Trust Funds (ETF) or a health insurance plan that is substantially similar to ETF's public employer group health insurance plan without the consent of any affected employee in the collective bargaining unit. Specify that these provisions would not apply to a bargaining unit consisting of law enforcement or fire fighting personnel.

Specify that the Wisconsin Employment Relations Commission (WERC) use the criteria in rules promulgated by the Commissioner of Insurance to determine if health insurance plans are substantially similar.

Specify, that any unilateral change in a health insurance plan provider is not a violation of a collective bargaining agreement or a prohibited practice of bargaining and, for purposes of a qualified economic offer, satisfies the requirement that the employer maintain the existing fringe benefits package.

Prohibited Subject of Bargaining. Specify that a municipal employer is prohibited from bargaining collectively with respect to the employer's selection of a health care coverage plan if the municipal employer offers to enroll the employees in ETF's public employer group health insurance plan or in a plan that is substantially similar. Specify that WERC use the criteria in rules promulgated by the Commissioner of Insurance to determine if health insurance plans are

substantially similar. Specify that these provisions would not apply to a bargaining unit consisting of law enforcement or fire fighting personnel.

Under current practice, the Commission has consistently held that matters such as changing the benefits provided under group health insurance coverage or choosing an insurance carrier to provide such coverage are mandatory subjects of bargaining.

Commissioner of Insurance to Promulgate Rules on "Substantially Similar" Coverage. Require the Commissioner of Insurance to promulgate rules that set out a standardized summary of benefits provided under health care coverage plans, including plans offered under ETF's public employer group health insurance plan, for use in determining whether a health insurance plan is substantially similar to a plan offered under ETF's public employer group health insurance plan.

Initial Applicability. Specify that the above provisions would first apply to collective bargaining agreements entered into, extended, modified, or renewed, whichever occurs first, on the general effective date of the biennial budget act.

Veto by Governor [D-15]: Delete provision.

[Act 33 Vetoed Sections: 1966, 1985m, 1985n, 2642m, and 9317(2)&(3q)]